

SENATE BILL 136

By Green

AN ACT to amend Tennessee Code Annotated, Title 6,
Chapter 56, Part 4, relative to the municipal
finance officers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 6-56-402, is amended by deleting subsection (b) in its entirety.

SECTION 2. Tennessee Code Annotated, Section 6-56-402(c), is amended by deleting the language “one hundred thousand dollars (\$100,000)” wherever it appears and substituting instead the language “five hundred thousand dollars (\$500,000)”, by deleting the language “CEU requirements” and by substituting instead the language “continuing education requirements”, and by deleting the language “or contracting with a CMFO”.

SECTION 3. Tennessee Code Annotated, Section 6-56-402(c), is further amended by deleting the language “any municipality that has a deficit total net assets or a negative change in net assets for a period of three (3) consecutive years, or is in default on any indebtedness, shall be deemed financially distressed and shall be required to employ a CMFO or contract with a CMFO or a qualified individual who is exempt from CMFO certification for financial oversight.”

SECTION 4. Tennessee Code Annotated, Section 6-56-403(b), is amended by deleting subsection (b) in its entirety and by substituting instead the following language:

(b) A candidate for the CMFO designation shall:

(1) Be at least eighteen (18) years of age;

(2) Be a high school graduate or the equivalent;

(3) Not have been convicted of any felony or any lesser crime involving

theft, fraud, or other crimes of dishonesty under the laws of this state, the United

States, or any other state or country if the acts involved would have constituted such a crime under the laws of this state; and

(4) Not engage in any conduct reflecting adversely upon the candidate's fitness to perform services while certified as a CMFO.

SECTION 4. Tennessee Code Annotated, Section 6-56-404, is amended by deleting the language "continuing education units" wherever it appears and substituting instead the language "continuing professional education", by deleting the language "CEU" wherever it appears and substituting instead the language "CPE", and by adding the following language "The comptroller may allow exceptions to the continuing education requirement for good cause shown." after the sentence that currently reads "CEUs shall be filed with and maintained by the comptroller of the treasury's office, which shall keep individual records on CMFOs and CMFO candidates".

SECTION 5. Tennessee Code Annotated, Section 6-56-404, is further amended by designating the existing language as subsection (a) and by adding the following language as a new subsection (b):

A CMFO's certification may be revoked for either or both of the following:

- (1) Failure to obtain or maintain the required continuing education;
- (2) Failure to comply with the standards for CMFO candidates as set forth in § 6-56-403.

SECTION 6. Tennessee Code Annotated, Section 6-56-406, is amended by adding the following language as a new subsection (d):

(d) For municipalities that have been subject to the provisions of § 6-56-402(c), and circumstances change that would make them subject to § 6-56-402(a), the municipality shall be required to comply with the requirements of § 6-56-402(a) within two (2) years from:

- (1) The submission date of the financial report used to determine that the municipality is subject to § 6-56-402(a); or
- (2) Six (6) months following the fiscal year end of the financial report used to make the determination, whichever is earlier.

SECTION 7. Tennessee Code Annotated, Section 6-56-407, is amended by deleting the word "contumaciously" from that section.

SECTION 8. This act shall take effect July 1, 2013, the public welfare requiring it.